

CC Docket No. 96-45
CC Docket No. 02-6
Request for Review

APR 13 2011

FCC Mail Room

April 12, 2011

Request for Review
Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

This request for review is filed in response to USAC's Administrator's Decision on Appeal for Funding Year 2006: July 1, 2006 - June 30, 2007, addressed to Oswego Unified School District 504, and dated February 28, 2011.

Billed Entity Name	Oswego Unified School District 504
Billed Entity Number	137948
Form 471 Application Number	506312
Funding Year	2006 (July 1, 2006 – June 30, 2007)

The Notification of Commitment Adjustment Letter of November 12, 2010, seeks to recover the following fund(s):

Funding Request Number	Funds to be Reserved	Services Ordered	Service Provider
1408837	\$4,477.44	Internet Access	Nex-Tech, Inc.

The Funding Commitment Adjustment Letter stated:

After a thorough review, it has been determined that this funding commitment must be rescinded in full. During the course of this review it was determined that funding was provided for the following ineligible item: Total Traffic Control. The pre-discount cost associated with this item is \$497.50/month for a total ineligible amount of \$5,970.00. At the applicants 75 percent discount rate this resulted in an improper commitment of \$4,477.50. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services... In this situation, the applicant made the certifications on the BEAR form indicating that the services and/or equipment provided to the applicant were eligible for funding. On the BEAR form, the authorized person certifies at Block 3, Item A that discount amounts for which reimbursement is sought represent charges for eligible services delivered to and used by eligible entities. Therefore, USAC has determined that the applicant is responsible for the rule violation. Since you received funding for services that were not utilized in accordance with program rules, USAC has rescinded your commitment in full.


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The USAC Administrator's Appeal denied the request for appeal based upon the determination that funding was provided for the ineligible item: Total Traffic Control.

Summary of Request for Review:

While the school district acknowledges that ineligible items should not be funded, and while it adheres strictly and closely to the guidelines set forth by the USAC, it was not the intent of the school district to apply for funding for a service that is/was ineligible. The school district is willing to remit any funds that were granted for the 2010 funding year, but in light of tight budget times, our request is to not to remit/rescind funds that were granted in years prior to 2010. These dollars have already been expended and for a school district to rescind dollars already spent would mean having to modify other budgets in order to find those dollars. Once USAC approval occurs a district has to rely on that process to conduct its operations and thus spend money that was authorized. The basis for our original appeal is that a USAC erate reviewer and his/her supervisor granted funding after a very complete review process for the services provided under Nex-Tech, approving the funding request as submitted. Since the district unknowingly applied for this funding request and the reviewer granted funding based upon the Form 471 application, the district does not feel obligated to rescind monies granted during the 2006 funding year. The Item 21 attachment does not indicate that the amount being requested was for an ineligible service, nor does the ineligible services list from the 2006 erate funding year indicate that 'total network security' is an ineligible item.

Thank you for your consideration of this review. If you have further questions or desire additional information, please do not hesitate to contact me.



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Received & Inspected

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Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2006-2007

February 28, 2011

Denise Grasso
Southeast Kansas Education Service Center
P.O. Box 189
Girard, KS 66743

Re: Applicant Name: OSWEGO UNIFIED SCHOOL DIST 504
Billed Entity Number: 137948
Form 471 Application Number: 506312
Funding Request Number(s): 1408837
Your Correspondence Dated: January 06, 2011

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2006 Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1408837
Decision on Appeal: **Denied**
Explanation:

- According to our records, it was determined that funding was provided for the following ineligible item: Total Traffic Control. The pre-discount cost associated with this item is \$497.50/month for a total ineligible amount of \$5,970.00. At the applicant's 75 percent discount rate this resulted in an improper commitment of \$4,477.50. In your appeal, you did not show that USAC's determination was incorrect. Consequently, your appeal is denied

Eligible Services List. FCC Rules further require that if 30% or more of the applicant's funding request includes ineligible products and/or services, then the funding request must be denied, otherwise the funding request will be reduced accordingly. 47 C.F.R. sec. 54.504(d).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Terry L. Karlin